

Name: _____

County: _____

Date: _____

BASIC AGRICULTURAL WORKSHOP SELF-STUDY TRAINING SESSION

REVIEW QUESTIONS

Chapter 1

1. Which of the following is not true of California?
 - ☐ Has eight of the top ten agricultural counties in the nation.
 - ☐ Is experiencing a decline in total agricultural acreage.
 - ☐ Produces 350 different commodities.
 - ☐ Produces 60 percent of the table grapes in this country.

2. Of the following, which is not one of the categories of forces that influence agricultural real estate value?
 - ☐ Economic conditions.
 - ☐ Governmental controls.
 - ☐ Environmental conditions.
 - ☐ Water availability.

3. Understanding and appreciation of the forces influencing value is essential to the appraisal of agricultural real estate.
 - ☐ True
 - ☐ False

Chapter 2

4. Soil layers are also referred to as:
- ☐ Substratum
 - ☐ Structure
 - ☐ Profile
 - ☐ Horizons
5. The top eight feet of soil is the most important layer and contains a profile broken down into three different layers known as surface soil, subsoil, and substratum.
- ☐ True
 - ☐ False
6. Agricultural producers are permitted to allow unrestricted water runoff from chemically treated fields and burning of farm residues.
- ☐ True
 - ☐ False
7. Match the following by natural land class:
- | | |
|---|------------------------|
| ____ Land which is mountainous in character and consists of steep slopes. | 1. Class A |
| | 2. Class B |
| | 3. Lower terrace land |
| ____ Alluvial fan, or flood plain land generally situated in valley. | 4. Higher terrace land |
| | 5. Upland |
| ____ Basin land usually situated at the lowest valley floor levels. | |
8. On which of the following factors is the Storie Soil Rating Index based?
- ☐ a. Physical characteristics
 - ☐ b. Economic conditions
 - ☐ c. Potential productivity
 - ☐ d. Both a & c

9. Macro-relief refers to topography of the soil in miniature.

☐ True

☐ False

10. Match the following water rights:

_____The owner of land bordering on a lake,
stream, or natural water source has the
right to use water on contiguous land.

1. Appropriative

2. Riparian

3. Prescriptive

_____Right obtained through open and adverse
diversion of water to which others have prior rights.

_____ Right based on state ownership of the
water and constitutes a legal right to
water flowing in public waterways.

11. The conveyance of a conservation easement generally constitutes a change in ownership of the property subject to the easement, where the primary purpose of the easement is the mere right to enforce restrictions against the grantor.

☐ True

☐ False

12. Give a short description of each of the following types or methods of irrigation.

Wild Flooding_____

Border Flooding_____

Furrow _____

Wheel Line _____

Drip _____

13. What water provides the highest quality water for agricultural purposes?

- ☐ Class 1
- ☐ Class 2
- ☐ Class 3
- ☐ Rain

14. List three forces that have a positive or negative effect on agricultural producers and the consumers of agricultural products.

1. _____

2. _____

3. _____

Chapter 3

15. Which of the following statements is not true. In determining a property's highest and best use:

- ☐ Surrounding properties may not be indicative of optimal use.
- ☐ Zoning may restrict the properties highest and best use.
- ☐ The current use will be the highest and best use.
- ☐ An interim use should be taken into consideration.

16. Generally capitalization rates for agricultural properties are higher than the rate for commercial/industrial properties due to non-cash amenities and deferred income from property appreciation.

- ☐ True
- ☐ False

17. List four common units of comparison used when making an agricultural appraisal.

- 1. _____
- 2. _____
- 3. _____
- 4. _____

18. List the six basic steps in the income approach.

- 1. _____

- 2. _____

- 3. _____

- 4. _____

5. _____

6. _____

19. Which of the following statements is true. When using aerial photos:

- ☐ The center of the photo is the most accurate
- ☐ The scale is one inch equals 560 feet
- ☐ The topography does not cause a change in measurements
- ☐ Camera tilt adjusts for terrain

20. Both crop rotation and crop varieties have a noticeable effect on yields.

- ☐ True
- ☐ False

21. What are the seven steps in the appraisal process?

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

22. Your subject is 350 acres of vineyard ground. It consists of 175 acres of Class I soil; 58 acres of Class II soil; 60 acres of Class III soil and 57 acres of Class IV soil. Using the following five sale comparables, what value would you place on each soil class and what value would you place on the subject property?

Comparable # 1 – 85 acres of Class II soil, 35 acres of Class III soil, and 70 acres of Class IV soil. No improvements. Sale Price \$ 1,030,000.

Comparable # 2 - 120 acres of Class I soil and 165 acres of Class III soil.

Estimated improvement value \$ 5,000. Sale Price \$ 2,030,000.

Comparable # 3 – 180 acres of Class II soil. Sale Price \$ 1,440,000.

Comparable # 4 – 180 acres of Class I soil and 160 acres of Class II soil.

Estimated improvement value \$ 105,000. Sale Price \$ 3,185,000

Comparable # 5 – 185 acres of Class I soil; 120 acres of Class II soil; 10 acres of Class III soil and 55 acres of Class IV soil. No improvements.

Sale price \$ 2,997,500.

Use the back of the page for you worksheet.

23. What is the indicated net income multiplier for a property that has 200 acres of row crop land that sold for \$ 4,000/acre and its net income was \$375/ acre?
-
24. When valuing agricultural property the unit of comparison to use is:
- ☐ Whatever the market is using
 - ☐ The number of acres
 - ☐ The type of crop(s) grown
 - ☐ The topography
25. Which of the following statements is true. In Identifying the appraisal unit.
- ☐ If it is determined that several parcels make up the appraisal unit, a separate appraisal needs to be made for each parcel.
 - ☐ All parcels must be contiguous.
 - ☐ It is the unit that persons in the marketplace commonly buy and sell
 - ☐ Three 40 acre parcels were purchased. They should be appraised as a unit even if their highest and best use is as three separate units.

26. In processing the income to value property certain expenses are allowable expenses to be deducted from the income stream. Of the following expenses, indicate the allowed expenses.

- ☐ Water and irrigation cost
- ☐ Capitalized expenditures
- ☐ Interest on production loans
- ☐ Equipment expenses
- ☐ Insurance
- ☐ Income taxes either personal or corporate
- ☐ Maintenance expenses
- ☐ Cultural and growing costs
- ☐ Depreciation
- ☐ Property taxes
- ☐ Labor expenses
- ☐ Mortgage expenses including amortization
- ☐ Additional principle repaid
- ☐ Extraordinary expenses on a non-reoccurring basis

27. Direct capitalization is a method which converts a single years income estimate into a value indication in one step, either by _____ the income estimate by a capitalization rate or _____ it by an income factor.

28. Which of the following statements is true. The preliminary analysis phase:

- ☐ Determines the subjects highest and best use.
- ☐ Develops a logistical plan for the appraisal.
- ☐ Produces the contributory value of the land.
- ☐ Determines the method or methods by which the value will be determined.

Chapter 4

29. When valuing an agricultural property with non-living improvements usually an area not to exceed two acres is reserved for a farmstead.
- ☐ True
- ☐ False
30. Water demand and correct water application is determined by three major factors.
1. _____
2. _____
3. _____
31. Barns of many different types and materials will be encountered. They fall into:
- ☐ One of three categories
- ☐ One of four categories
- ☐ One of two categories
- ☐ One of five categories
32. Materials added solely for land drainage to make land arable, such as underground drainage pipe (concrete, plastic, tile, etc.), sand traps, and observation wells are classified as _____.
33. Values for the residential portion of an agricultural property unit are determined by application of the cost or summation approach. List the five steps involved.
1. _____
- _____
- _____
2. _____
- _____

3. _____

4. _____

5. _____

Chapter 5

34. Cropland includes:

- ☐ Orchard land
☐ Cultivated land
☐ Vineyard land
☐ Pasture land

35. What is the average annual gross income for the following seven year crop rotation:

Crop	Years	Production	Income
Sugar Beets	1	30 tons/ac	\$ 35/ton
Tomatoes	2	32 tons/ac	\$ 55/ton
Milo	1	5 tons/ac	\$118/ton
Alfalfa	3	6 tons/ac	\$125/ton

Use the back of the page as a worksheet

36. Continued planting of one crop for years begins to _____
 annual commodity yields.

37. What are the three reasons that crop rotation is important?

1. _____

2. _____

3. _____

38. Date palms are classed as land under eight years of age after the exemption period.

☐ True
☐ False

39. If an agricultural property receives revenue from the Commodity Credit Corporation (CCC), should that revenue be included in the income to be capitalized?

☐ Yes
☐ No

Chapter 6

40. List five types of data that should be collected when processing an appraisal of grazing land.

1. _____

2. _____

3. _____

4. _____

5. _____

41. Explain what the difference is between green chop and silage.

42. An animal unit in terms of feed requirements is equivalent to:

- ☐ 400 pounds of TDN
- ☐ 4,800 pounds of TDN
- ☐ 3,500 pounds of TDN
- ☐ 5,000 pounds of TDN

43. Based on the following information, what is the indicated value of this 1800 acre ranch.

600 beef cows over 2 yrs.

100 bulls

510 calves from Oct 1 – May 31

385 yearling for 6 mos.

Comparable properties are selling for \$1,500/AU

Use the back of the page for your worksheet.

44. One AU refers to:

- ☐ Four mature sheep
- ☐ One year old steer 800+ pounds
- ☐ Two year old range cow 1000+ pounds
- ☐ Three mature sheep

45. More land in California is used for _____ than any other agricultural purpose.

Chapter 7

46. Which of the following is not a true statement when looking at climate for trees and vines?

- ☐ Climate influences the quality of the crop and potential success.
- ☐ Winter temperatures must be cold enough to fulfill their dormancy requirements.
- ☐ Matching trees and vines to areas with compatible climate as long as good cultural practices are used is not necessary.
- ☐ Not so cold as to kill or damage the trees or vines.

47. Which is not a true statement. In the production and marketing of fruit:

- ☐ Some producers produce crops for both the fresh fruit market and the processing market.
- ☐ Some growers pre-sell their crops.
- ☐ Only fruit that meets certain requirements is sold as fresh fruit.
- ☐ Foreign markets don't really affect our fresh fruit market because fresh fruit is so perishable.

48. When looking at irrigation, what specific water concerns must be addressed?

1. _____
2. _____
3. _____
4. _____
5. _____

49. Trees and vines may literally _____ when air is completely _____ out of their root zone.

50. Which of the following statements is false. When appraising an orchard:
- ☐ The tree variety may be grafted to a different variety rootstock.
 - ☐ They are exempt until four years after the season in which they were planted.
 - ☐ On going replacement of trees does not extend the life of the orchard.
 - ☐ Requires in-depth knowledge of horticultural practices and market conditions.
51. What are the two basic systems utilized for frost protection.
1. _____
2. _____
52. When new orchards or vineyards are planted, the season in which they are planted counts as the first year of the exemption period.
- ☐ True
 - ☐ False
53. Kiwi plants are assessable on the first lien date following planting.
- ☐ True
 - ☐ False
54. Which statement is false concerning tree and vine cultural practices?
- ☐ Closer plantings are typical.
 - ☐ Rarely are different varieties planted together.
 - ☐ Occasionally trees are interplanted
 - ☐ Interplants must be removed.

55. Which statement is not correct concerning replacement grapevines for grapevines affected by the phylloxera infection or Pierce's Disease:
- ☐ County has to have adopted an ordinance
 - ☐ The base year value shall be the factored base year value of the removed vines.
 - ☐ The base year value shall be enrolled without a new exemption period.
 - ☐ The removed vines must be less than 15 years of age and replaced on the same parcel as the removed vines.

Chapter 8

56. Once a dairy producer buys or sells quota, it is restricted from additional purchases or sales for a three year period.

- ☐ True
- ☐ False

57. Special considerations in the appraisal of dairy farms include:

1. _____
2. _____
3. _____
4. _____

58. Dairies products are classed from Class1 to Class 4B based on Class I being the best. Class 1 (sometimes referred to as Class A) is used for bottling and human consumption.

- ☐ True
- ☐ False

59. List four sources of income that are typical from a dairy operation.

1. _____
2. _____
3. _____
4. _____

Chapter 9

60. The _____ is the most reliable approach to value transitional properties.

61. The two common changes in highest and best use which agricultural properties are:

1. _____

2. _____

62. Consideration must be given to the property's _____ use during the development period.

Why? _____

63. Transitional properties may include those that are _____ in value and use.